



Georgia Farm Service Agency Newsletter

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Director's Message

There are 66,498 pages of Federal tax rules in the commonly used Standard Federal Tax Reporter. In 1913, when the Federal income tax was introduced, there were 400 pages. (From *The Wall Street Journal*, April 17, 2006.)

There are 189,372 pages of Federal Farm Service Agency (FSA) handbook rules.

Fortunately, most farmers do not have to keep up with every new rule or old rule published in the 48 different FSA handbooks governing everything about how an FSA County office operates. The County Executive Director has that job, with a lot of help from the program technicians.

Some knowledge of rules and regulations, however, can pay off big for landowners and producers. With fewer FSA workers at the local level, it is more important than ever to be aware of handbook procedures and notices that may affect your farming operation. To avoid confusion about how the Loan Deficiency Programs (LDP's) or Conservation Reserve Program (CRP) works, or how the Noninsured Disaster Assistance Program (NAP) is supposed to work, it can be very helpful to go online and read over some of the current notices and directives, if not the entire handbook. If you want to do the research, go to the following web address as a starting point: <http://www.fsa.usda.gov/pas/efoia/directives.asp>.

Admittedly some of these handbooks are easier to understand than others, but if you have a question about anything from how to file an appeal to learning what the operating budget is for your State and local office, then you can find it at this USDA website. It's also a good time to remember that, ultimately, it is your responsibility to be fully aware of how all rules and regulations apply to your farming operation. FSA employees are not supposed to provide advice on how you should fill out forms, but will help you find and submit the right forms.

This is especially true if you grow a crop eligible for the NAP. In this case you definitely will want to keep in close contact with your county office to submit any and all forms and documentation required to remain eligible for possible payments.

There are many sources of information available through the USDA website, to help you manage your farm operation and to help you expedite the application process for FSA programs. Taking time to read through some of these handbooks may help save you time, effort, and, ultimately, dollars.

Important Dates calendar for FSA Programs

Final Availability Dates for Loans and LDP's:

31-Mar	Wheat, Oats
31-May	Cotton, Corn, Dry Peas, Grain Sorghum, Lentils, Mustard Seed, Safflower Seed, Small Chickpeas, Soybeans, Sunflower Seeds

Final Crop Reporting Dates:

15-Jul	All crops, except small grains
1-May	Deadline to report "intended" cotton acres for BWEP without late fee

NAP Insurance Sales Closing Dates:

1-Dec	Honey
31-Jan	All annually planted crops, both spring and fall
15-Aug	Perennial crops, forage crops for hay and grazing

Additional Program Deadlines:

Now	Inquire and Sign-up CRP Continuous Practices such as Riparian Buffers
Now	Inquire and Sign-up for Bobwhite Quail Habitat Buffers (selected counties only)
Now	Emergency Conservation approved applicants - report completed practices to FSA
Now	County offices accepting CRP offers to re-enroll or extend. Deadline April 28
27-Mar - 28-Apr	General CRP Sign-up - Submit CRP offers for new land
1-Apr - 31-Aug	CRP Nesting Season
1-Jun	2006 Direct and Counter Cyclical Program (DCP) Sign-up Period Ends (no fee)
3-Jul	Final Date to Request Reconstitution of DCP Farm
15-Aug	All Perennial Crops, All Value Loss Crops, All Grass Type Crops for Hay and Grazing
30-Sept	Final Date to Enroll in 2006 DCP (\$100 late fee per farm)
1-Nov	Tobacco Buy Out Program Successor In Interest Contracts for 2007, as well as contract transfers between family members due to death of contract holder or moving "purchased" quota

County Committee Elections Dates:

15-Jun	Nomination Period Begins
1-Aug	Last Day to File Nomination Forms
3-Nov	Ballots Mailed to Eligible Voters

Farm Programs

MILCX-Extension of the Milk Income Loss Contract Program

The Milk Income Loss Contract (MILC) program has been extended. Producers must sign a CCC-580X and CCC-580X Appendix dated 3-13-06 to enroll in the program. The initial signup began on **March 13, 2006, and will end on May 17, 2006.** Producers are limited to 2.4 million pounds, which is equivalent to 24,000 cwt. per dairy operation, and must file the application in the office where the dairy is located. The CCC580X may be accepted in person, fax, telephone, or mail. If the application is requested by mail, fax, or downloaded from the internet, the application must be completed correctly, signed and returned to the applicable County Office. Producers who submit a MILCX for benefits:

- **during** the initial signup period must select the MILCX production start month for their dairy operation
- **after** the initial signup period will be considered a MILCX submission during the extended signup period

The extended signup begins **on May 18, 2006**, the day after the initial signup ends. The extended signup will continue until the end of the program on September 30, 2007. Producers who submit a MILCX for the extended signup phase may select the MILC production start month for the dairy as either:

- the month the MILCX is submitted
- the remaining months in FY in which the MILC is submitted for which a payment rate is not known and applicable to the MILCX production start month selection provision.

For example: Producer signs his MILC contract during the extended signup on June 30th. This producer has two start month options.

- select the month the contract is submitted (June)
- select one of following months of August or September (selection rules apply to option 2)

After the initial signup, producers may change their start month for the next year. The MILCX start months must be selected by the dairy operation before the 14th of the month before the production start month selected by the producer and before the Boston Class 1 price is announced to the public. The operation **cannot** select a MILC production start month for any month that:

- has already begun, except for the initial and extended period
- has already passed
- no milk production for the operation

Contact your local FSA office if you have questions or need more information.

CCC-633 EZ Requirements for Producers

Beginning each crop year producers must submit a CCC-633 EZ, page 1. For the 2006 crop year, County Offices have mailed producer letters with a copy of the form attached. Producers need to file this form as early as possible but no earlier than January 1 of the applicable crop year. Only one form is needed for all applicable counties in which the signing producer has a farming interest in a crop.

This form does not negate the producer's ability to get a Marketing Assistance Loan (MAL); it represents his intent to receive a Loan Deficiency Payment (LDP). Producers should never lose beneficial interest in a commodity if page 1 is filed and approved in a county office prior to selling or losing beneficial interest (BI) in the commodity.

To receive LDP, producers must sign page 2, 3, or 4 depending on the crop they are requesting payment. Along with that request, the producer will provide production evidence. This form replaces the CCC-709. Producers who want to obtain LDP based on the date of delivery from the field to a processor, buyer, or warehouse who will not lose BI in the commodity at the time of delivery must submit page 2 and check item 23 B for "Date of Delivery."

If you have not received a CCC-633 EZ, contact your local FSA office.

DCP Payment Program Amended

The Deficit Reduction Act, signed into law by President Bush on February 8, 2006, impacted DCP direct payments. The Act reduces the maximum advance direct payment percentage for the 2006 crop year from 50 percent to 40 percent. Advance payments for 2006 requested prior to February 8 remained at 50 percent. The Act further reduces the maximum advance direct payment percentage for the 2007 crop year to 22 percent. Please note the total direct payment amount was not impacted, only the percentage paid in advance. The policies for issuing DCP counter-cyclical payments were not changed by the Act.

DCP Enrollment Deadlines Critical

All DCP participants are reminded of their responsibility to annually enroll farms in DCP by the prescribed deadlines. June 1 is the basic deadline each year, with no late fee. Farms may be enrolled after June 1 but before October 1 with payment of a \$100 per farm fee. There are some late-fee exceptions for reconstituted farms. The law provides no relief for farms to be enrolled after September 30. Producers are encouraged to be vigilant in ensuring all farms are enrolled. It is a good practice to know your farm serial numbers and request copies of the DCP contracts when enrolled. Please don't depend on FSA personnel to provide a verbal or written reminder.

Farm Loans

Emergency Loans Available

On March 7, 2006, USDA designated 151 Georgia counties as natural disaster areas making low-interest emergency loans available to eligible, qualified farm producers in these counties. The eight counties not designated are Calhoun, Camden, Charlton, Clay, Cook, Putnam, Quitman, and Randolph. The designation is the result of drought conditions which began August 1, 2005, and continuing. If you experienced a loss due to the drought, please contact your local FSA office for applications and additional information.

Application deadlines for emergency loan assistance are dependent on the date a county was designated. Applications must be received within 8 months of the designation date. The application deadline applicable to this designation is November 7, 2006.

Emergency Loan Assistance (EM) Questions and Answers

What is an emergency loan?

USDA's Farm Service Agency (FSA) provides emergency loans to help producers recover from production and physical losses due to flooding, drought, other natural disasters, or quarantine.

What can I use emergency loan funds for?

Emergency loan funds may be used to:

- Restore or replace essential property;
- Pay all or part of production costs associated with the disaster year;
- Pay essential family living expenses;
- Reorganize the farming operation; and
- Refinance certain debts.

Who is eligible for emergency loans?

Emergency loans may be made to farmers and ranchers who:

- Own or operate land located in a county declared by the President as a disaster area or designated by the Secretary of Agriculture as a disaster area or quarantine area;
- Are established family farm operators and have sufficient farming or ranching experience;
- Are citizens or permanent residents of the United States;
- Have suffered at least a 30-percent loss in crop production or a physical loss to livestock, livestock products, real estate, or chattel property;
- Have an acceptable credit history;
- Are unable to receive credit from commercial sources;
- Can provide collateral to secure the loan; and
- Have repayment ability.

What requirements must I meet?

FSA loan requirements are different from those of other lenders. Some of the more significant differences are the following:

- Borrowers must keep acceptable farm records;
- Borrowers must operate in accordance with a farm plan they develop and agree to with local FSA staff; and
- Borrowers may be required to participate in a financial management training program and obtain crop insurance.

Do I need collateral?

All emergency loans must be fully collateralized. The specific type of collateral may vary depending on the loan purpose, repayment ability, and the individual circumstances of the applicant. If applicants cannot provide adequate collateral, their repayment ability may be considered as collateral to secure the loan. A first lien is required on property or products acquired, produced, or refinanced with loan funds.

What is the loan limit?

Producers can borrow up to 100 percent of actual production or physical losses, to a maximum amount of \$500,000.

What are the terms of an emergency loan?

Loans for crop, livestock, and non-real estate losses are normally repaid in 1 – 7 years; depending on the loan purpose, repayment ability, and collateral available as loan security. In special circumstances, terms of up to 20 years may be authorized. Loans for physical losses to real estate are normally repaid within 30 years. In certain circumstances, repayment may be made over a maximum of 40 years.

What is the interest rate?

The current interest rate for emergency loans is 3.75 percent.

What about application deadlines?

Applications for emergency loans must be received within 8 months of the county's designation date.

What do you mean by temporary assistance?

Borrowers who receive temporary assistance are expected to return to conventional credit sources. Emergency loans are a temporary source of credit, and borrowers are reviewed periodically to determine whether they can return to commercial credit.

How do I obtain more information?

Further information on the emergency loan program is available from your local USDA Service Center.

Producers are reminded when they have an address change due to 911 upgrades or relocation, to please contact your local FSA office to update your address.

Spring Creek Watershed Partnership Cost-Share Assistance Program

The Spring Creek Watershed Partnership will be accepting applications May 1 – 31 for participation in their cost-share assistance program. The Partnership will be offering a 50 percent cost-share rate for regular applicants and a 90 percent cost-share rate for limited resource producers. All Best Management Practices are eligible. To receive assistance, the applicant must own land within the borders of the Spring Watershed. The watershed includes portions of six counties: southern Clay; southwestern Calhoun; most of Early, Miller and Seminole; and the western portion of Decatur County. For an application or for more information, please contact Rebecca Thomas, Program Manager for the Spring Creek Watershed Partnership, at (229)758 – 2751 or your local NRCS office.

Georgia State FSA Newsletter

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**For information, please first contact your
local FSA County Office.**

The USDA Farm Service Agency (FSA) is the main source for information contained in this educational newsletter. Eligibility and participation for all FSA programs is determined in accordance with FSA rules and regulations. Contact your local FSA Service Center to determine program eligibility.

The Georgia Farm Service Agency State Newsletter is published by the Georgia FSA State Office. Contact your local USDA Service Center - Farm Service Agency listed in the phone book, weekdays 8:00 a.m. - 5:00 p.m. to obtain a free subscription or make address corrections.

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Persons with disabilities who require accommodations to attend or participate in any meeting/event/function should contact Kula C. Moore, 706-546-2269.